



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

SB3309

Introduced 2/14/2014, by Sen. Jennifer Bertino-Tarrant

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/2-155.1 new  
40 ILCS 5/4-138.10 new  
40 ILCS 5/10-110 new  
40 ILCS 5/14-148.1 new  
40 ILCS 5/18-162.1 new

Amends the General Assembly, State Employees, and Judges Articles of the Illinois Pension Code. Provides that if a fund or system mistakenly sets any benefit at an incorrect amount, it shall recalculate the benefit as soon as may be practicable after the mistake is discovered. Sets forth specific requirements regarding when a benefit is mistakenly set too low and when a benefit is mistakenly set too high. Amends the Downstate Firefighters and Cook County Forest Preserve Articles of the Illinois Pension Code. Provides that the amount of any overpayment of any pension or benefit due to fraud, misrepresentation, or error may be deducted from future payments to the recipient.

LRB098 17036 RPM 55472 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

A BILL FOR

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by adding  
5 Sections 2-155.1, 4-138.10, 10-110, 14-148.1, and 18-162.1 as  
6 follows:

7 (40 ILCS 5/2-155.1 new)

8 Sec. 2-155.1. Mistake in benefit. If the System mistakenly  
9 sets any benefit at an incorrect amount, it shall recalculate  
10 the benefit as soon as may be practicable after the mistake is  
11 discovered.

12 If the benefit was mistakenly set too low, the System shall  
13 make a lump sum payment to the recipient of an amount equal to  
14 the difference between the benefits that should have been paid  
15 and those actually paid, plus interest at the prescribed rate  
16 of interest from the date the unpaid amounts accrued to the  
17 date of payment.

18 If the benefit was mistakenly set too high, the System may  
19 recover the amount overpaid from the recipient thereof, plus  
20 interest at the prescribed rate of interest from the date of  
21 overpayment to the date of recovery, either directly or by  
22 deducting such amount from the remaining benefits payable to  
23 the recipient. However, if (1) the amount of the benefit was

1 mistakenly set too high, and (2) the error was undiscovered for  
2 3 years or longer, and (3) the error was not the result of  
3 incorrect information supplied by the affected participant or  
4 beneficiary, then upon discovery of the mistake the benefit  
5 shall be adjusted to the correct level, but the recipient of  
6 the benefit need not repay to the System the excess amounts  
7 received in error.

8 (40 ILCS 5/4-138.10 new)

9 Sec. 4-138.10. Overpayment; deduction. The amount of any  
10 overpayment, due to fraud, misrepresentation or error, of any  
11 pension or benefit granted under this Article may be deducted  
12 from future payments to the recipient of such pension or  
13 benefit.

14 (40 ILCS 5/10-110 new)

15 Sec. 10-110. Overpayment; deduction. The amount of any  
16 overpayment, of any pension or benefit granted under this  
17 Article, due to fraud, misrepresentation or error, may be  
18 deducted from future payments or refunds made to the recipient  
19 of the overpayment. Any such action of the board shall relieve  
20 and release the board and the fund from any liability for any  
21 moneys deducted or withheld.

22 (40 ILCS 5/14-148.1 new)

23 Sec. 14-148.1. Mistake in benefit. If the System mistakenly

1 sets any benefit at an incorrect amount, it shall recalculate  
2 the benefit as soon as may be practicable after the mistake is  
3 discovered.

4 If the benefit was mistakenly set too low, the System shall  
5 make a lump sum payment to the recipient of an amount equal to  
6 the difference between the benefits that should have been paid  
7 and those actually paid, plus regular interest from the date  
8 the unpaid amounts accrued to the date of payment.

9 If the benefit was mistakenly set too high, the System may  
10 recover the amount overpaid from the recipient thereof, plus  
11 regular interest from the date of overpayment to the date of  
12 recovery, either directly or by deducting such amount from the  
13 remaining benefits payable to the recipient. However, if (1)  
14 the amount of the benefit was mistakenly set too high, and (2)  
15 the error was undiscovered for 3 years or longer, and (3) the  
16 error was not the result of incorrect information supplied by  
17 the affected member or beneficiary, then upon discovery of the  
18 mistake the benefit shall be adjusted to the correct level, but  
19 the recipient of the benefit need not repay to the System the  
20 excess amounts received in error.

21 (40 ILCS 5/18-162.1 new)

22 Sec. 18-162.1. Mistake in benefit. If the System mistakenly  
23 sets any benefit at an incorrect amount, it shall recalculate  
24 the benefit as soon as may be practicable after the mistake is  
25 discovered.

1       If the benefit was mistakenly set too low, the System shall  
2 make a lump sum payment to the recipient of an amount equal to  
3 the difference between the benefits that should have been paid  
4 and those actually paid, plus interest at the prescribed rate  
5 of interest from the date the unpaid amounts accrued to the  
6 date of payment.

7       If the benefit was mistakenly set too high, the System may  
8 recover the amount overpaid from the recipient thereof, plus  
9 interest at the prescribed rate of interest from the date of  
10 overpayment to the date of recovery, either directly or by  
11 deducting such amount from the remaining benefits payable to  
12 the recipient. However, if (1) the amount of the benefit was  
13 mistakenly set too high, and (2) the error was undiscovered for  
14 3 years or longer, and (3) the error was not the result of  
15 incorrect information supplied by the affected participant or  
16 beneficiary, then upon discovery of the mistake the benefit  
17 shall be adjusted to the correct level, but the recipient of  
18 the benefit need not repay to the System the excess amounts  
19 received in error.